

STAGE STORES INC.

B E A L L S ■ P A L A I S R O Y A L ■ S T A G E

Mel Ward
Senior Vice President
Real Estate

August 27, 1999

Shane Martin, Inspection and Service
Control Fire Systems Co.
P.O. Box 95034
Oklahoma City, OK 73143

Re: Inspection of Specialty Retailers, Inc. store locations in Oklahoma
operating under the trade name "Stage"

Dear Mr. Martin:

Specialty Retailers, Inc. ("SRP") is willing to engage Control Fire Systems, Co. ("CFS") to inspect and test the water based fire protection systems at the following locations under the terms and conditions set forth herein. Accordingly, for Six Thousand Two Hundred and No/100 Dollars (\$6,200.00), CFS shall inspect and test the sixty-seven (67) Stage stores located throughout the State of Oklahoma. The following prices reflect the four non-sprinklered stores from the list previously provided to you.

Scope of Work

Annual inspection and testing of the water based fire suppression systems in the following groups and properties at the rates set forth below:

1.)	Anadarko	#852		4.)	Cushing	#686	
	Chickasha	#85			Guthrie	#682	
	Chickasha	#728	\$400		Perry	#685	
					Stillwater	#683	\$300
2.)	Altus	#109		5.)	Edmond	#86	
	Altus	#846			Edmond	#673	
	Duncan	#720			Edmond	#850	
	Lawton	#99			El Reno	#670	
	Lawton	#707	\$400		Midwest City	#716	
3.)	Alva	#681			Moore	#708	
	Blackwell	#684			Norman	#709	
	✓ Enid	#148			OKC	#671	
	✓ Enid	#680			OKC	#674	
	✓ Guymon	#652			OKC	#676	
	✓ Ponca City	#105			OKC	#679	
	✓ Woodward	#654			Shawnee	#698	
	Fairview	#678	\$1,000		Yukon	#72	
					Yukon	#853	

	Purcell	#703	\$850		Sand Springs	#155	
					Sand Springs	#727	
6.)	Ada	#152			Sapulpa	#688	
	Ada	#847			Vinita	#692	\$1,050
	✓ Ardmore	#52					
	✓ Ardmore	#856		9.)	Henryetta	#714	
	Durant	#718			Holdenville	#719	
	Pauls Valley	#717	\$400		McAlester	#114	
					McAlester	#699	
7.)	Clinton	#712			Muskogee	#82	
	Elk City	#711			Okmulgee	#700	
	Weatherford	#710	\$350		Sallisaw	#723	
					Seminole	#701	
8.)	Barlesville	#693			Tahlequah	#675	
	Broken Arrow	#141			Muskogee	#691	\$1,000
	Broken Arrow	#848					
	Claremore	#694		10.)	Hugo	#696	
	Miami	#690			Idabel	#721	
	Owasso	#689			Poteau	#722	\$450
	Pryor	#288					

CFS shall provide, at its cost and expense, labor and equipment for the annual inspection and testing of the water based fire protection systems. The inspection and testing will be in accordance with the procedures of NFPA 25 for the specified interval. The system will be inspected and tagged in compliance with the requirements and procedures of the State and local Fire Marshal's Office.

CFS shall provide sample copies of inspection, testing, and discrepancy reports to SRI prior to commencing work under the Agreement. With each inspection, SRI will receive a complete system inventory, with all the questions relating to each piece of equipment per NFPA 25. The discrepancy report will list any deficiencies at each property and the NFPA code pertaining to it. CFS will schedule inspections, produce reports and track this procedure, providing updates monthly and upon request.

Maintenance or service work for repairs noted during inspections will be performed at a rate of Forty Three and No/100 Dollars (\$43.00) per hour plus materials (total not to exceed \$500.00 for any single location) and will exclude drive time or miscellaneous charges. Any repairs that exceeds \$500.00 for any single location must be approved in writing by the Stage Maintenance Department who may be reached at (713) 218-4470. Inspections and repairs will be performed separately on different work orders.

Exclusions from Maintenance:

1. Repair of electrical wiring faults.
2. Inspection or testing of fire alarm systems, Fire Extinguishers, Hose Stations, Emergency Exit Signs, Emergency Lighting or other types of fire protection systems.

General Conditions:

The inspection and testing procedures used are to be equipment specific as defined by the standards of NFPA 25 for the 'Inspection, Testing and Maintenance of Water Based Fire Protection Systems.' The NFPA 25 standard applies to fire protection systems that have been properly installed and accepted by the authority having jurisdiction.

CFS shall include comments relating to the spacing of sprinklers where deficiencies are found. The areas of protection and sprinkler head spacing are not, however, directly referenced by the NFPA 25 standard. Sprinkler spacing items, if noted, are for SRI's information, or are required by the authority having jurisdiction.

CFS shall procure and maintain a policy or policies of comprehensive general liability insurance, at its sole cost and expense, insuring both SRI and CFS against all claims, demands or actions arising out of or in connection with the work performed under this agreement, the limits of such policy or policies to be in an amount not less than \$1,000,000.00 combined single limit and shall be written by insurance companies reasonably satisfactory to SRI. The policies shall require thirty (30) days prior written notice to SRI of any modification, cancellation or renewal. CFS shall provide a certificate of insurance to SRI, upon request, evidencing such insurance policy or policies.

CFS agrees to indemnify, defend and hold SRI and its parent, subsidiary and affiliate companies, agents, employee's etc. harmless of and from any and all claims and causes of action for breach of contract or sounding in tort, or any other claims (whether in contract or tort) arising under any federal, state, municipal or other governmental laws, rules or regulations, or from common law and liability of every kind, including all court costs and attorneys' fees, and any other loss or claim of whatever kind or character arising out of the services CFS has agreed to perform for SRI or the performance thereof. The foregoing indemnity is an express condition of this agreement and upon which SRI will rely in allowing CFS to perform work in its stores.

The services provided hereunder are not an evaluation of the fire protection design and performance criteria. If desired, CFS will perform a system evaluation for a fee, upon the written request of SRI Maintenance Department.

It is the responsibility of SRI to upgrade or modify the fire protection system when the building occupancy, design, storage type or configuration are changed or expanded.

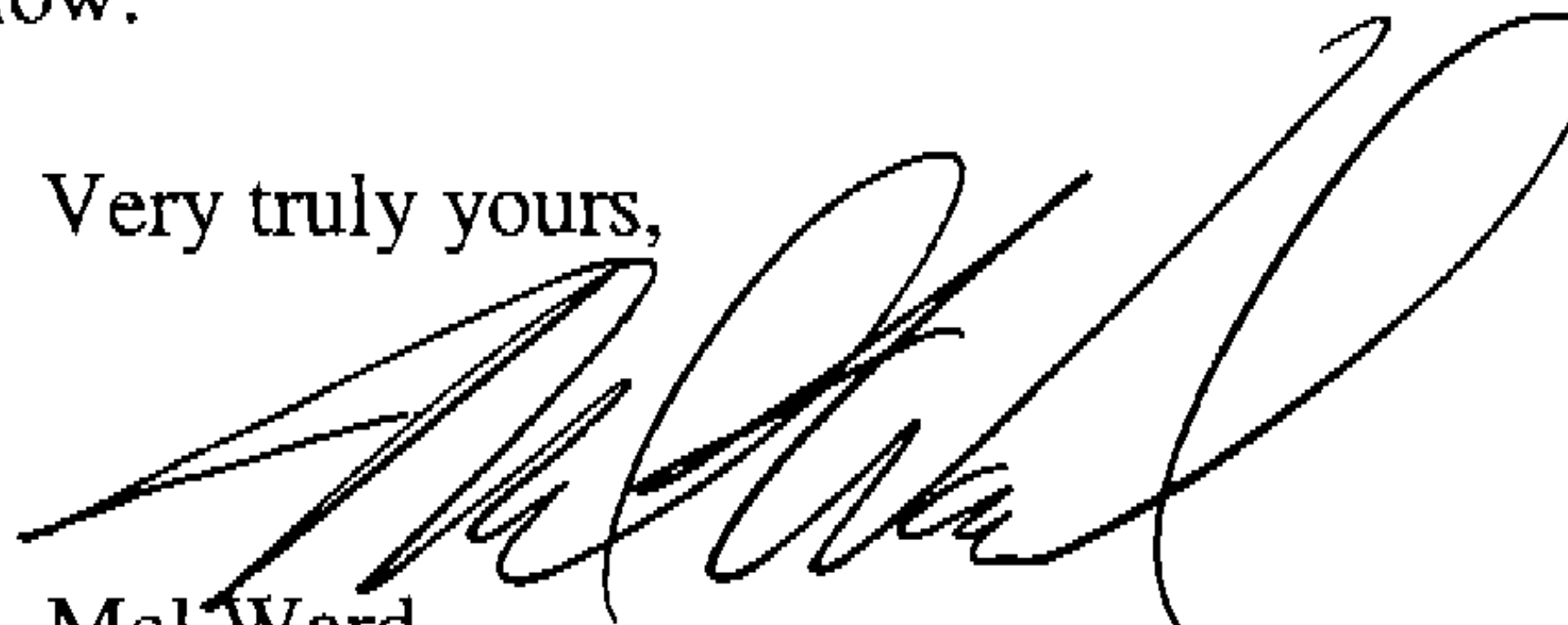
Assistance from the SRI's staff will be provided to access all areas of its stores in order to locate devices and to facilitate operation of alarm transmitting equipment.

Payment will be due thirty (30) days from receipt of invoice, for the value of services rendered.

The term of this agreement is to begin upon acceptance of this agreement, continue for a period of one year, and will continue from year to year until terminated. Either party may terminate this agreement at any time by giving written notice thirty (30) days prior to the desired termination date.

If you are in agreement with the foregoing terms and conditions of this agreement, please sign in the space provided below.

Very truly yours,



Mel Ward
Senior Vice President – Real Estate

AGREED:

Control Fire Systems Company

By: 

Name: RICHARD J. YOUNG

Title: PRESIDENT

Date: SEPT 2, 1999

CONTROL FIRE SYSTEMS
P.O. BOX 95034
OKLAHOMA CITY, OK 73143

INVOICE NUMBER: 0007787-IN

(405) 670-6717

INVOICE DATE: 03/31/00

SALESPERSON:

STAGE STORES INC.
726 MEYERLAND PLAZA, STE 203
Houston TX 77096

CUSTOMER NO: STAGEST

JOB NUMBER: 99IN062

TERMS: Per contract terms

P.J.

JOB DESC: STAGE STORES INSPECTIONS
COMMENT: PARTIAL BILLING

BILL METHOD: FIXED CONTRACT

ORIGINAL CONTRACT AMOUNT:	6,200.00
PERCENTAGE COMPLETED TO DATE:	11.29%
BILLABLE CONTRACT AMOUNT:	700.00
LESS PREVIOUSLY INVOICED:	.00

AMOUNT BILLABLE THIS INVOICE:	700.00

INVOICE TOTAL:	700.00
	=====

The following Stores have been inspected:

#52 Ardmore, OK
#56 Ardmore, OK
#105 Ponca City, OK
#654 Woodward, OK
#148 Enid, OK
#652 Guymon, OK
#680 Enid, OK

P.O. Box 95034
OKLAHOMA CITY, OK 73143
(405) 670-6717
LIC. # 0008

FORM 803-3

McBee 1055 EAST STATE ST. - ATHENS, OHIO 45701
To Reorder Call Toll Free 1-800-526-1272

Thank You

P.O. Box 95034
OKLAHOMA CITY, OK 73143
(405) 670-6717
LIC. # 0008

NAME Stage #105		DATE OF ORDER 2-29-00	
ADDRESS 109 S. Main		PHONE 762-7755	
JOB NAME / LOCATION Ponce City, OK		DATE PROMISED	
DESCRIPTION OF WORK		ORDER TAKEN BY	
		<input type="checkbox"/> DAY WORK <input type="checkbox"/> CONTRACT <input type="checkbox"/> EXTRA	
QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	Annual Sprinkler Insp.		
LABOR	HOURS	RATE	AMOUNT
S. Martin			
TOTAL LABOR			
TOTAL MATERIALS			
TAX			
DATE COMPLETED		TOTAL	
(I HEREBY ACKNOWLEDGE THE SATISFACTORY COMPLETION OF THE ABOVE DESCRIBED WORK) SIGNATURE <i>X January Davis</i>			

FORM 803-3

McBee 1055 EAST STATE ST. - ATHENS, OHIO 45701
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ORIGINAL

Thank You

P.O. Box 95034
OKLAHOMA CITY, OK 73143
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FORM 803-3

McBee 1055 EAST STATE ST. - ATHENS, OHIO 45701
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Thank You

CONTROL FIRE SYSTEMS CO

P.O. Box 95034
OKLAHOMA CITY, OK 73143
(405) 670-6717
LIC. # 0008

[illegible]

FORM 803-3

McBee 1055 EAST STATE ST. - ATHENS, OHIO 45701
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ORIGINAL

Thank You

CONTROL FIRE SYSTEMS CO

P.O. Box 95034
OKLAHOMA CITY, OK 73143
(405) 670-6717
LIC. # 0008

NAME <i>STAGE # 52</i>		DATE OF ORDER <i>2-29-00</i>	
ADDRESS		PHONE	
JOB NAME / LOCATION		DATE PROMISED	
DESCRIPTION OF WORK		ORDER TAKEN BY <i>SM</i>	
<i>Inspection</i>		<input type="checkbox"/> DAY WORK <input type="checkbox"/> CONTRACT <input type="checkbox"/> EXTRA	
QUANTITY	DESCRIPTION	PRICE	AMOUNT
		<i>STATIC 81</i>	
	<i>Alarm valves</i>	<i>Result 55</i>	
	<i>Water motor song</i>	<i>Main Drain closed 62</i>	
	<i>FDC & water check</i>		
	<i>Wall Post chain & Lock</i>		
	<i>Plug 1 in front of stage</i>		
	<i>Plug 1 hd shoe stop</i>		
	<i>Water motor song doesn't work</i>		
	<i>Main Drain handle broke</i>		
	<i>FDC won't rotate</i>		
	<i>Had 1 hd in front.</i>		
	<i>Relo Break Room</i>		
LABOR	HOURS	RATE	AMOUNT
WORK ORDERED BY <i>Singer</i>		TOTAL LABOR	TAX
INVOICE		DATE COMPLETED	TOTAL
006462		(I HEREBY ACKNOWLEDGE THE FACTORY COMPLETION OF THE ABOVE DESCRIBED WORK) SIGNATURE <i>[Signature]</i>	

FORM 503-3

McBee 1055 EAST STATE ST. - ATHENS, OHIO 45701
To Reorder Call Toll Free 1-800-526-1272

CONTROL FIRE SYSTEMS CO

P.O. Box 95034
OKLAHOMA CITY, OK 73143
(405) 670-6717
LIC. # 0008

NAME STAGE #56		DATE OF ORDER 2-29-00	
ADDRESS TIFFANY PLAZA		PHONE	
ARMORE OK		DATE PROMISED	
JOB NAME / LOCATION		ORDER TAKEN BY SM	
DESCRIPTION OF WORK		<input type="checkbox"/> DAY WORK <input type="checkbox"/> CONTRACT <input type="checkbox"/> EXTRA	
INSP			
QUANTITY	DESCRIPTION	PRICE	AMOUNT
	ADD 1 FRONT OF STAGE		
	ADD 2 Break Room		
	ADD 1 HALLWAY TO Rest Room		
	4" Check for FDC		
	ALARM VALVE		
	WALL POST Chain & Lock		
	Water Motor Song OK		
	SPARE WDS & HD BOX		
	STATIC 105 FDC OK		
	Resub 75		
	MAIN DRAIN closed 95		
LABOR	HOURS	RATE	AMOUNT
WORK ORDERED BY MARY		TOTAL LABOR	TAX
INVOICE		DATE COMPLETED	TOTAL
006461		I HEREBY ACKNOWLEDGE THE SATISFACTORY COMPLETION OF THE ABOVE DESCRIBED WORK! SIGNATURE M White	

FORM 803-3

McBee 1055 EAST STATE ST. • ATHENS, OHIO 45701
To Reorder Call Toll Free 1-800-526-1272

1-800-526-1272

Handwritten signature/initials